



Economic Impact Analysis Virginia Department of Planning and Budget

18 VAC 48-60 – Common Interest Community Management Information Fund Regulations

Department of Professional and Occupational Regulation

January 28, 2009

Summary of the Proposed Amendments to Regulation

The Common Interest Community Board (Board) proposes to amend its Common Interest Community Management Information Fund Regulations to specify that that association registration is valid for one full year and, pursuant to legislative mandate, renewal fees must be submitted at the same time as the association's annual report.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

Current regulations require common interest community (CIC) associations to renew their registration certificates the month following each annual meeting. The Department of Professional and Occupational Regulation (DPOR) reports that this requirement has proven to be problematic for some CIC associations that do not hold their annual meetings on approximately the same date each year. These associations might be liable for providing more than one annual report (and paying more than one annual renewal fee) within the span of a year.

To solve this problem, the Board proposes to eliminate the current requirement that associations renew their certificates after their annual meeting. Instead, association registrations will expire one year from the last day of the month that they were issued. The Board also proposes to specify that an association's most current annual report, as well as a statutorily required annual assessment, must be submitted to the Board along with the association's renewal fee.

No regulated entity is likely to incur costs on account of these regulatory changes. Indeed, some CIC associations, those that do not have set annual meeting dates, will be able to eliminate the costs associated with having to submit more than one annual report (and renewal fee).

Businesses and Entities Affected

These proposed regulations will affect all property owner's associations, condominium associations and cooperative owner's associations. DPOR reports that there are currently 4,050 such associations registered by the Board; all of these entities would likely meet the definition of small business.

Localities Particularly Affected

No locality will be particularly affected by this proposed regulatory action.

Projected Impact on Employment

This regulatory action will likely have no impact on employment in the Commonwealth.

Effects on the Use and Value of Private Property

This regulatory action will likely have no effect on the use or value of private property in the Commonwealth.

Small Businesses: Costs and Other Effects

Small businesses in the Commonwealth are unlikely to incur any costs on account of this regulatory action.

Small Businesses: Alternative Method that Minimizes Adverse Impact

Small businesses in the Commonwealth are unlikely to incur any costs on account of this regulatory action.

Real Estate Development Costs

This regulatory action will likely have no effect on real estate development costs in the Commonwealth.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.H of the Administrative Process Act and Executive Order Number 36 (06). Section 2.2-4007.H requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.H requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.